

**IMPLEMENTATION OF MANAGEMENT SYSTEM ON HALAL
CERTIFICATION FOR MEDAN CITY MSMEs ACTORS
(Case study at the Medan City Cooperative and MSMEs Office)**

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Abstract

The Medan City Micro, Small and Medium Enterprises (MSME) and Cooperative Service in collaboration with the Halal Product Guarantee Agency (BPJPH) supports the existence of a halal certificate guarantee for MSME actors in the city of Medan. Currently, to implement all of business activity, there is a need for halal certification guarantee management so that MSME business actors can better understand how important a halal certificate is to a business. Indonesia's population is a Muslim-majority country and a potential market for various halal products. The percentage of the number of micro, small and medium enterprises is high. For example, micro businesses can be represented at 98,79%, small businesses 1,11%, while medium businesses 0,09%, and large businesses only 0,01%. This data is based on the 2013 Ministry of Cooperatives and Small and Medium Enterprises and from the total of these business units, micro, small and medium enterprises (MSMEs) act as business drivers in Indonesia. However, the guarantee of a halal certificate issued by the Ministry of Religion is considered to be very difficult for Medan City MSME actors to obtain due too many requirements that must be met by the business actors themselves. The guarantee of a halal certificate is expected to be a spirit to awaken and excite the development of the halal industry in the country, especially North Sumatra. Halal Product Assurance certification and supervision services also consistently apply the principles of integrity, transparency, and avoid all kinds of extortion and gratification.

Keywords: *MSME, Business Actors, Halal Assurance*

1. INTRODUCTION

Indonesia is a Muslim-majority country with a large population that can be considered a prospective market for a wide range of halal products. According to the information gathered, a significant number of micro, small, and medium-sized businesses exist. For example, micro-enterprises account for 98.79 % of all businesses, small businesses account for 1.11 %, medium-sized businesses account for 0.09 %, and large businesses account for only 0.01%. In 2013, the Ministry of Cooperatives and Small and Medium Enterprises (MoCoSME) collected data on the number of micro, small, and medium-sized enterprises (MSMEs) in Indonesia. Based on the total number of business units, micro, small, and medium-sized enterprises (MSMEs) represent opportunities for businesses in Indonesia.

According to Zulkarnain (2014), interest in halal products has increased fast throughout the year within the Muslim community, and even non-Muslims are interested in products that have already been certified as halal by a third party. This increase is due to increased consumer awareness of the need of consuming halal food, which is a religious requirement for the Muslim community. In the food and beverage industry, halalness is defined as a

characteristic that ensures compliance with established criteria in food and beverage production (Adiwibowo, 2016).

A halal certificate guarantee for MSME actors in the city of Medan is supported by the Medan City Micro, Small, and Medium Enterprises (MSME) Cooperative Service in collaboration with the Halal Product Assurance Organizing Agency (also known as BPJPH), which is also supported by the Halal Product Assurance Organizing Agency. As a consequence, halal certification guarantee management is required in order for MSME business actors to better comprehend the significance of a halal certificate in the context of their respective businesses, as outlined above.

Therefore, in collaboration with the Office of Cooperatives for Micro, Small and Medium Enterprises and the Halal Product Assurance Organization (BPJPH), organize a socialization activity and invite Medan City MSME actors who are registered at the Medan City MSME Cooperative Service Office to assess how far the understanding of business actors towards the importance of halal certificates for their business has progressed.

The North Sumatra Provincial Government supports the Indonesian Ministry of Religion's Halal Product Guarantee Agency (BPJPH) for free halal certification for Micro, Small and Medium Enterprises (MSMEs) in North Sumatra. This certification will certainly have a positive value, this is an important sign to boost the products that will be consumed or used, so they can compete and get the opportunity to reach the global market in selling halal goods or products (Nurbowo, 2003).

2. RESEARCH METHOD

This qualitative research is obtained from data registered with the Office of Cooperatives for Micro, Small and Medium Enterprises in Medan City. The location of this research was conducted at the Office of Cooperatives and Micro, Small and Medium Enterprises in Medan. In this study, the authors chose the subject of his research were business actors whose businesses have not yet received a guarantee of halal certificates for their products. The data collection strategy used in this study was based on data and the results of the socialization of the Office of Cooperatives for Micro, Small and Medium Enterprises and the Halal Product Guarantee Agency (BPJPH) about the importance of halal certificates and how to obtain them.

3. RESULT AND DISCUSSION

The following are the findings of a collaboration between the Office of Cooperatives for Micro, Small, and Medium-Sized Enterprises and the Halal Product Guarantee Agency (BPJPH) regarding the significance of halal certificates, which were derived from data collected by both organizations.

3.1. Medan City SMEs Actor

Halal certificate guarantees issued by the Ministry of Religion are deemed extremely tough to obtain for Medan City MSME actors due to the excessive number of standards that must be completed by business actors. Mr. Surya, a business actor who has not yet gotten a halal certificate, stated, "Here, the entrepreneur goes awry; we must operate every day, but the laws imposed on the entrepreneur make it tough through intricate bureaucracy." Indeed, just one door is made for the handling of halal certificates. Leave the entire policy with the MUI (Indonesian Ulema Council) if it is returned. There is no requirement for the BPJPH process. In essence, entrepreneurs want to follow the regulations, so make it simple," Mr. Surya said, adding that he hoped the processing of halal certificates could be sped so that MSME business operators could feel comfortable conducting business (Ayuniyyah et al., 2016).

According to data collected from the Organizing Agency for Halal Product Assurance (BPJPH), the BPJPH has presently received 498 applications for halal certificate permits registered by business actors in the city of Medan. Moreover, BPJPH stated that the registration process was uncomplicated. The business owner just visits the BPJPH office, fills out forms and documentation, is registered, and then enters data into the Cerrol 23000 LPPOM MUI North Sumatra system. After the data is audited, it will be provided to the Fatwa Commission of the North Sumatra MUI, and business actors will receive a halal certificate if they meet the standards established or fatwaed by the North Sumatra MUI.

3.2. Halal Certificate Guarantee

The expansion of the halal industry has now become a global trend at the level of the Indonesian economy. Even in the future, the Medan city administration wants MSMEs in the city to be classified as halal production cities in Indonesia. The Koran's message on the eating of halal products is one that must be followed for the sake of humanity as a whole (Huda et al., 2018). For Muslims, the halalness of a product is critical for their safety while purchasing food or beverages.

In this case, the Medan City Cooperatives and MSMEs Service cooperates with the Halal Product Assurance Agency (BPJPH) which is in charge of providing socialization and halal certificates for food and beverage products, as well as other types of products. From the wider community in order to be able to consume halal products is not only a lifestyle but has become a necessity of our life (Estuti, 2005).

This halal certificate guarantee is expected to act as a catalyst for the revival of the country's halal industry, particularly in North Sumatra. Furthermore, certification and monitoring services for Halal Product Assurance adhere to the principles of integrity and transparency, and prevent all forms of extortion. Now, the Indonesian Ulema Council (MUI) will collaborate with LPH to conduct product inspections and testing, as well as assess the halal status of products, based on LPH accreditation (Hasan, 2014).

Given the large number of products that need to be certified, so that in collaboration with the Halal Inspection Agency (LPH), LPH must first have a recommendation and decision from the MUI. And a lot of business people in the city of Medan forget the importance of the recommendation from the MUI to continue the halal inspection to the Halal Inspection Agency (LPH). The management of the process of implementing halal product guarantees after today is expected to be better than before because this issue is

supported by the law even in the law it is mandatory as mandatory and supported by the government, which involves the Ministry of Religion and other relevant institutions from the government (Ministry of Religion, 2003).

3.3. How to Get Halal Certificate

There are various stages that must be completed in order to obtain a halal certificate:

Business actors can apply for a written halal certificate and submit it to BPJPH and include business actor data documents, name and type of product, list of products and materials used, as well as product processing methods.

Business actors can choose a registered LPH. There are a number of LPHs that have been appointed and can be freely chosen by business actors. LPH is an institution that has the authority to conduct inspection and/or testing of product halalness. The LPH chosen by the business actor will be determined by BPJPH later. The determination of this LPH is no later than five days after the application documents are said to be complete (Ministry of Religion, 2003).

Inspection of products that have been registered. The inspection is carried out by the LPH halal auditor, and has been determined by BPJPH. Inspection and testing of product halalness is carried out at the business location during the production process and in the laboratory. Testing in the laboratory can be carried out if in the product inspection there are ingredients of doubtful halalness. The results of the inspection and testing of the halalness of the product are then submitted to the BPJPH.

Determination of product halalness. BPJPH also conveyed that the results of the inspection and testing of product halalness carried out by LPH were to MUI to obtain a determination of product halalness. MUI then determines the halalness of the product through a session called a halal fatwa. The halal fatwa trial is held no later than 30 working days after MUI receives the results of inspection and/or product testing from BPJPH.

As for Certificate Issuance for Products that are declared halal by the MUI fatwa session are continued by BPJPH to issue halal certificates (Fauziah et al., 2017). The issuance of this halal certificate is no later than seven days after the decision on the halalness of the product is received from the MUI. Business actors must be advised to install a halal label along with their registration number on their business products that have received a halal certificate. BPJPH will also publish the issuance of halal certificates for each product. And for products that are declared non-halal, BPJPH returns the application for a halal certificate to business actors along with the reasons (Ministry of Religion, 2003).

4. CONCLUSION

According to the findings of this study, there are still a large number of MSME business actors in Medan who have not secured a halal certificate for their operations due to the difficulty of registering or inputting data. Due to the numerous steps required of business actors, they are tired and hesitant to take care of the halal certification of their products due to its perceived complexity. The Department of Cooperatives and Small and Medium-Sized Enterprises in Medan is believed to merely give socialization, not to aid and monitor business actors in obtaining a halal certificate from the MUI.

The MSME Cooperative Service must exercise greater caution in handling this halal certificate assurance activity, as many MSME business players in Medan City struggle with registration and data entry. It is suggested that the Medan City MSME Cooperative Service and BPJPH not only conduct socialization, but also apply it, in order for business actors to learn and quickly bring data to BPJPH for follow-up. Hence, MSME business players in Medan can instantly inquire about any file errors or incorrect data entry after registration in order to obtain this halal certificate guarantee.

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